

SURETY

February 9, 2023

MSK Construction, Inc.
1920 Dunbar St., Suite C
Charleston, SC 29407
Via US Certified Mail

Virginia Marshall
25 State St
Charleston SC 29401
Via US Certified Mail

Michael & Susan Williams
8377 Kamborne Court
North Charleston, SC 29420
VIA US Certified Mail

Marshall Living Trust dated November 23, 1987
25 State St.
Charles, SC 29401
Via US Certified Mail

RE: Surety: United Fire & Casualty Company (UFG)
Principal: MSK Construction, Inc. (MSK)

Dear Indemnitors:

This follows our letter dated December 28, 2022, in which UFG demanded the deposit of \$3,899,407.44 as collateral security. To date no amount has been deposited and you are each in default of your obligations under the Agreement of Indemnity dated August 21, 2015 (the "GIA").

UFG has continued to receive claims on its bonds. Attached is a spreadsheet identifying the claims received to date on the payment bonds. The total claims received to date exceed \$3.3 million. UFG has paid claims totaling \$320,524.10. Immediate demand is made on you, pursuant to your obligations under the terms of the GIA, to indemnify UFG in the amount of \$320,524.10 for these losses.

You are required to hold UFG harmless from future loss. Immediate action should be taken on your part to resolve the remaining payment bond claims identified on this spreadsheet so that UFG does not incur a loss. Promptly provide UFG with proof of any payment made along with a release signed by the claimant which discharges UFG of any further liability to such claimant on the referenced project(s). UFG reasserts its demand for the deposit of \$3,899,407.44 as collateral security which will be used by UFG to satisfy its obligations on the bonds and for any losses and expenses it incurs for which you are liable.

UFG's rights under the GIA are cumulative. As such, the demands made herein do not represent all of your obligations to UFG under the GIA. UFG has incurred expenses because of claims made on performance and payment bonds. MSK has been declared in default and terminated by the VA on one project and MSK has notified UFG that it cannot pay for the performance of the work on the remaining projects. Finally, UFG has incurred expenses in pursuing its claims against you under the GIA. All of these items represent additional losses and expenses that have either been incurred or that UFG expects to incur as a result of the bonds it executed and provided to MSK.



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Be advised that UFG has not waived nor will waive any terms or provisions of the GIA, and nothing that UFG or any representative says or does should be viewed as a waiver or estoppel. UFG fully and completely reserves all of its rights under its bonds, the GIA, or any other legal or equitable position it may have, including the right to seek additional collateral and/or to be indemnified with respect to its incurred losses and expenses

Sincerely,
UNITED FIRE & CASUALTY COMPANY



Stuart M. Overton, ASFB
Surety Claims Assistant Manager

Enclosure: Attachment 1

cc: Alliant Ins. Services Inc. 44-1058
Kimi McBurney (via Email)
Paul Versage (via Email)
Craig Ramseyer (via Email)
Charlie Altman (via Email)
Ryan Beaver (via Email)